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Some advisors rage against the machine learning
By Rob Burgess
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Roadblocks to AI adoption in wealth management are usually attributed to lack of education, access and support. If advisors only understood these tools, their hesitations would melt away, the assumption goes.

One recent survey, for example, showed that top pain points can include lack of training, the too-fast pace of technological change and lack of provider support.

But some advisors with reservations about AI understand the technology just fine — they just don't like it.

Take Kelly Klingaman, founder of Kelly Klingaman Financial Planning in Austin, Texas. There aren't enough guardrails in place, Klingaman said, to protect existing copyrighted text and art, an issue that is being litigated in courts around the country. Her husband is a graphic designer whose industry has felt the threat of generative AI, leading her to be acutely aware of the legal and ethical implications surrounding the technology.

"To me, generative AI is illegally stealing from someone who never granted these systems authority to use their content in the first place," she said.

Uneasiness around using AI for content creation
Klingaman said she is also concerned that generative AI is making advisors lazy and less creative. She said she doesn't want to use it for her firm's marketing content.

"People swear they can train AI to write something in their exact voice," she said. "Even if this were the case — and honestly, I don't think so, as I bet most of us can tell when something was written by AI, and not in a good way, as everyone can spot lifeless, homogeneous generative AI art from a mile away — we aren't using our unique skills in the same way anymore. I fear our brains will turn to mush when we rely on these systems too heavily."

A 2024 study of over 600 AI users by Michael Gerlich of the SBS Swiss Business School found that these tools were already degrading creative brain work.

"The findings revealed a significant negative correlation between frequent AI tool usage and critical thinking abilities, mediated by increased cognitive offloading," he wrote in the abstract.

Klingaman isn't the only advisor who feels this way. Filip Telibasa, owner of Benzina Wealth in Sarasota, Florida, said he believes we are "at a critical

inflection point in terms of AI's purpose in our everyday lives." Like Klingaman, he said he doesn't use AI for content creation.

"It takes away my personal voice, which sometimes changes," said Telibasa. "In other words, you cannot prompt AI to adjust based on your mood."

There is also no sense of satisfaction when a finished product is noticed and celebrated by others if it was created with gen AI, Telibasa said.

"You did not put in the time and effort to make it from scratch," he said. "It lacks the nuances of human emotion."

Klingaman said she is concerned that advisors who use generative AI to write are missing out on the benefits of struggling through the creative process.

"I fear we are losing our individuality in a way the majority of us can't fully grasp yet," she said.

Writing his own content ensures he'll have quality over AI-generated quantity, Telibasa said.

"I prefer to have less of something great than more of something mediocre. The whole point of AI is to increase efficiency and productivity, but at what cost other than quality and depth?" he said. "[Gen AI] makes everyone sound like an 'expert.' If I don't use it, and you don't like something I say, you can directly correlate it to me as opposed to a machine."

Using AI for polish, not the whole product
For the many in wealth management who have not sworn off AI for help with content creation, the best results can come from using it as a springboard. Marie Swift, founder and CEO of Impact Communications in Leawood, Kansas, said she takes AI output and infuses it with her own creativity, expertise and brand voice.

"This hybrid approach avoids the 'blandness' stereotype and ensures your content stands out," she said. "Done right, AI should not replace your voice. AI can free up time and creative bandwidth, allowing you to connect with your audience in ways that are both efficient and deeply personal. The key is to use AI as a collaborator, not a crutch."

Swift said she uses tools like Perplexity AI as a "second brain" to make her smarter and faster.

"I never have a sense that using AI is turning my brain to mush," she said. "Rather, it keeps my brain sharp and engaged as I am always considering new ideas and ways to think about and communicate things."

Other back-office uses for AI
Despite her qualms with AI-led content creation, Klingaman has used several AI

note-taking apps, with Fathom being her favorite. She said she appreciates how AI can streamline the mundane aspects of running her business.

"I'm all for how it can make my day-to-day more efficient," she said. "I draw the line at using AI to generate content for me, specifically what I might use to market my business, like Instagram, LinkedIn and blog posts. I feel like generative AI content is bland and lifeless, and that's not how I want to come across to my audience."

While he shares concerns around the need for guardrails, Mohan Gurupackiam, chief information officer at Steward Partners in New York City, said he also worries about data protection, privacy and security in AI.

"AI models need to be open, and they should be trained on large data sets to try to eliminate bias," he said.

In addition to using AI as an assistive technology, Gurupackiam said his firm also uses it for statement extraction and driving productivity. He said Steward Partners is also looking at opportunities to use AI in surveillance monitoring, regulatory intelligence management and advanced investment research analysis, and is also in the process of evaluating AI-based platforms to help advisors expand wallet share and drive assets.

"As a regulated entity and for ethical reasons, at this point, we will draw the line where AI will act autonomously in certain areas without any human oversight," he said. "Examples would include AI models independently and autonomously creating portfolio models where the advisor has no oversight."

Yes, AI tools can enable lazy advisors — but also enhance creativity

AI providers recognize users' qualms, said Alejandro Castellano, co-founder and CEO of AI-driven financial services automation platform Caddi. In fact, Klingaman articulates concerns that many professionals across industries share about AI, he said. Castellano said he believes AI should be used to eliminate the administrative burden that prevents advisors from finding the time to be creative, rather than in a way that erases their voice.

"The distinction between content creation and process automation is crucial," he said. "Using AI for meeting notes and follow-up emails adds efficiency, while using it for creative content diminishes authenticity." Klingaman's distinction, he said, was a "thoughtful line."

When AI is used as a complete substitute for human imagination in content creation, the results are "lazy, uncreative AI slop," said Divam Jain, co-founder and chief technology officer at Zeplyn. Still, AI-generated content can make it easier for people to express themselves creatively when used as an augmentation rather than a replacement, he said.

Avoiding new tools could lead to business consequences

Not everyone in the industry is impressed with anti-AI objections.

While he agrees there has been an industry-wide shift in how content is created, Doug Fritz, executive chairman and co-founder of wealth management consulting firm F2 Strategy, said he doesn't think that all content needs to be original.

"Of the communications we send to clients and to social media, original, thoughtful, human-generated ideas constitute a small percentage," he said. "The larger body of content, where GPT models are very helpful, has to do with regulation, markets, life, events and things that investors need to know, but do not require as much elegant penmanship. I also believe that the pace of AI advancement will very soon allow for auto-generated content to very closely match the tone, sentiment and thinking of human writers."

The Oasis Group publishes a free monthly AI WealthTech Map that highlights AI tools advisors can use within their business processes "to enhance their productivity so that they can serve more clients effectively," said John O'Connell, CEO and founder. He said his firm uses a dozen AI tools in their day-to-day business, ranging from generative AI to presentation creation tools, project estimators and deep data analysis.

"We recommend that all financial advisors educate themselves on AI tools and their applications beyond tools such as ChatGPT and MidJourney," he said.

Being uncomfortable with change does not insulate businesses from the effects of change, O'Connell said.

"AI is here, and large competitors are investing heavily in it to make their advisors more productive," he said. "Kodak denied the fidelity of digital photo technology. How did that work out for them?"